

House File 62 - Introduced

HOUSE FILE 62

BY WINCKLER, MASCHER,
LENSING, BERRY, and
WESSEL-KROESCHELL

A BILL FOR

1 An Act relating to the allocation and issuance of qualified
2 student loan bonds under the private activity bond
3 allocation Act.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 7C.4A, subsection 3, Code 2011, is
2 amended to read as follows:

3 3. Sixteen percent of the state ceiling shall be allocated
4 to qualified student loan bonds. However, at any time during
5 the calendar year the governor's designee, with the approval
6 of the ~~Iowa student loan liquidity corporation~~ college student
7 aid commission, may determine that a lesser amount need be
8 allocated to qualified student loan bonds and on that date the
9 lesser amount shall be the amount allocated for those bonds and
10 the excess shall be allocated under subsection 7.

11 Sec. 2. Section 261.38, subsection 5, Code 2011, is amended
12 to read as follows:

13 5. a. The commission may enter into agreements with
14 ~~the Iowa student loan liquidity corporation~~ in order to
15 increase access for students to education loan programs that
16 the commission determines meet the education needs of Iowa
17 residents. The agreements shall permit the establishment,
18 funding, and operation of alternative education loan programs,
19 as described in section 144(b)(1)(B) of the Internal Revenue
20 Code of 1986 as amended, as defined in section 422.3, in
21 addition to programs permitted under the federal Higher
22 Education Act of 1965. In accordance with those agreements,
23 the ~~Iowa~~ qualified student loan ~~liquidity corporation~~ bond
24 issuer may issue bonds, notes, or other obligations to the
25 public and others for the purpose of funding the alternative
26 education loan programs. This authority to issue bonds, notes,
27 or other obligations shall be in addition to the authority
28 established in the articles of incorporation and bylaws of the
29 ~~Iowa~~ qualified student loan ~~liquidity corporation~~ bond issuer.

30 b. Bonds, notes, or other obligations issued by the ~~Iowa~~
31 qualified student loan ~~liquidity corporation~~ bond issuer are
32 not an obligation of this state or any political subdivision
33 of this state within the meaning of any constitutional or
34 statutory debt limitations, but are special obligations of the
35 ~~Iowa~~ qualified student loan ~~liquidity corporation~~ bond issuer,

1 and the ~~corporation~~ qualified student loan bond issuer shall
2 not pledge the credit or taxing power of this state or any
3 political subdivision of this state, or make its debts payable
4 out of any of the moneys except those of the ~~corporation~~
5 qualified student loan bond issuer.

6 EXPLANATION

7 This bill removes references to the Iowa student loan
8 liquidity corporation from certain provisions of the Code.
9 The Code provision that allocates 16 percent of the state
10 ceiling to a political subdivision for purposes of qualified
11 student loan bonds under the private activity bond allocation
12 Act is modified to provide that the college student aid
13 commission, rather than the corporation, may approve the
14 governor's designee's determination that a lesser amount need
15 be allocated to qualified student loan bonds. The bill also
16 modifies a provision that permits the commission to enter into
17 agreements with the corporation in order to increase access for
18 students to education loan programs, by replacing references to
19 the corporation with references to the qualified student loan
20 bond issuer, which is the designation the corporation currently
21 holds.